

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1478 be amended to read as follows:

- 1 Page 142, between lines 13 and 14, begin a new paragraph and
- 2 insert:
- 3 "SECTION 99. IC 6-3.5-9 IS ADDED TO THE INDIANA CODE
- 4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 2007]:
- 6 **Chapter 9. County Option Sales Tax**
- 7 **Sec. 1. Except as otherwise provided in this chapter, the**
- 8 **definitions in IC 6-2.5-1 apply throughout this chapter.**
- 9 **Sec. 2. As used in this chapter, "fiscal body" has the meaning set**
- 10 **forth in IC 36-1-2-6.**
- 11 **Sec. 3. As used in this chapter, "fiscal officer" has the meaning**
- 12 **set forth in IC 36-1-2-7.**
- 13 **Sec. 4. As used in this chapter, "gross retail income" has the**
- 14 **meaning set forth in IC 6-2.5-1-5, except that the term does not**
- 15 **include taxes imposed under IC 6-2.5 or IC 6-9.**
- 16 **Sec. 5. (a) The fiscal body of a county may adopt an ordinance**
- 17 **to impose an excise tax, known as the county option sales tax.**
- 18 **(b) Before a fiscal body may adopt an ordinance to impose a tax**
- 19 **under this chapter, the fiscal body must hold a public hearing on**
- 20 **the proposed ordinance. The fiscal body must provide notice to the**
- 21 **public in accordance with IC 5-3-1 of the date, time, and place of**
- 22 **the public hearing.**
- 23 **Sec. 6. (a) The fiscal body of a county may impose a county**
- 24 **option sales tax on the transactions described in section 7 of this**
- 25 **chapter. A fiscal body adopting an ordinance under this chapter**
- 26 **must indicate in the ordinance the date the tax becomes effective.**
- 27 **(b) A tax imposed under this chapter may not take effect until**
- 28 **at least sixty (60) days after the date the ordinance imposing the**
- 29 **tax is adopted.**
- 30 **Sec. 7. Except as provided in section 8 of this chapter, the tax**
- 31 **imposed under this chapter by a county fiscal body applies to retail**

1 transactions that occur within the county.

2 **Sec. 8.** A tax imposed under this chapter does not apply to a
3 transaction to the extent that the transaction is exempt from the
4 state gross retail tax under IC 6-2.5.

5 **Sec. 9. (a)** The fiscal body of a county that has imposed a tax
6 under this chapter may adopt an ordinance to rescind the tax or
7 reduce the tax rate. The fiscal body must specify in the ordinance
8 the date the rescission of the tax or the reduction in the tax rate
9 takes effect. The rescission of the tax or the reduction in the tax
10 rate may not take effect until at least sixty (60) days after the date
11 the ordinance is adopted.

12 **(b)** If a fiscal body adopts an ordinance to impose or rescind the
13 tax under this chapter or reduce the tax rate under this chapter,
14 the fiscal body shall immediately send a certified copy of the
15 ordinance to the department.

16 **Sec. 10. (a)** A tax imposed under this chapter may be imposed
17 only on the gross retail income derived from retail transactions. If
18 the tax imposed under this chapter for a particular transaction
19 results in a fraction of one-half cent (\$0.005) or more, the amount
20 of the tax shall be rounded to the next additional cent.

21 **(b)** A fiscal body may not under this chapter adopt a tax that
22 exceeds the rate of twenty-five hundredths of one percent (0.25%).
23 The department of state revenue may by rule specify the
24 increments in which a tax rate under this chapter may be imposed.

25 **(c)** The rate of a tax imposed under this chapter, in addition to
26 being limited under subsection (b), may not exceed the rate
27 necessary to provide revenue sufficient to eliminate the property
28 tax liability of taxpayers in the county.

29 **Sec. 11. (a)** A person who receives goods or services in a retail
30 transaction that is taxed under this chapter is liable for the tax.
31 The person shall pay the tax to the retail merchant as a separate
32 amount added to the consideration for the goods or services. The
33 retail merchant shall collect the tax as an agent for the state and
34 the county that imposed the tax.

35 **(b)** The tax imposed under this chapter shall be imposed, paid,
36 and collected in the same manner in which the state gross retail tax
37 is imposed, paid, and collected under IC 6-2.5.

38 **Sec. 12.** All the provisions of IC 6-2.5 relating to rights, duties,
39 liabilities, procedures, penalties, definitions, exemptions, and
40 administration are applicable to the imposition and administration
41 of the tax imposed under this section except to the extent those
42 provisions are in conflict or inconsistent with the specific
43 provisions of this chapter.

44 **Sec. 13. (a)** A special account within the state general fund shall
45 be established for each county adopting a tax under this chapter.
46 Revenue collected under this chapter within a county shall be
47 deposited in that county's account in the state general fund.

48 **(b)** Income earned on money held in an account under

1 subsection (a) becomes a part of that account.

2 (c) Revenue remaining in an account established under
3 subsection (a) at the end of a state fiscal year does not revert to the
4 state general fund.

5 (d) On or before the twentieth day of each month, all amounts
6 held in a county's account shall be distributed to the county.

7 (e) The amount to be distributed to the county is the total
8 amount of taxes that were imposed and collected under this
9 chapter from within the county during the preceding month. The
10 department shall notify the county's fiscal officer of the amount of
11 taxes to be distributed to the county.

12 (f) All distributions from the county's account shall be made by
13 warrants issued by the auditor of state to the treasurer of state
14 ordering those payments to the county.

15 Sec. 14. Tax revenue distributed to a county under this chapter
16 may be used only for any combination of the following purposes,
17 as specified by ordinance of the county council:

18 (1) The tax revenue may be used to provide local property tax
19 replacement credits at a uniform rate to civil taxing units and
20 school corporations in the county. The amount of property tax
21 replacement credits that each civil taxing unit and school
22 corporation in a county is entitled to receive during a
23 calendar year equals the product of:

24 (A) the tax revenue received by the county under this
25 chapter in the preceding calendar year; multiplied by

26 (B) the following fraction:

27 (i) The numerator of the fraction equals the total
28 property taxes being collected in the county by the civil
29 taxing unit or school corporation during the calendar
30 year of the distribution.

31 (ii) The denominator of the fraction equals the sum of
32 the total property taxes being collected in the county by
33 all civil taxing units and school corporations of the
34 county during the calendar year of the distribution.

35 The department of local government finance shall provide
36 each county auditor with the amount of property tax
37 replacement credits that each civil taxing unit and school
38 corporation in the auditor's county is entitled to receive under
39 this section. The county auditor shall then certify to each civil
40 taxing unit and school corporation the amount of property tax
41 replacement credits the civil taxing unit or school corporation
42 is entitled to receive under this section during that calendar
43 year. The county auditor shall also certify these distributions
44 to the county treasurer. The local property tax replacement
45 credits shall be treated for all purposes as property tax levies.

46 (2) The tax revenue may be used to uniformly increase the
47 homestead credit percentage in the county. The additional
48 homestead credits shall be treated for all purposes as

property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

Sec. 15. A tax imposed under this chapter is a listed tax for the purposes of IC 6-8.1."

Page 147, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 104. IC 6-8.1-1-1, AS AMENDED BY P.L.162-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the river boat admissions tax (IC 4-33-12); the river boat wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); **the county option sales tax (IC 6-3.5-9)**; the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1478 as printed April 6, 2007.)

Senator ZAKAS